



Canadian
Transportation
Agency

Office
des transports
du Canada

Canadian Transportation Agency

2014-2015

Departmental Performance Report

The Honourable Marc Garneau, P.C., M.P.
Minister of Transport

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Message from the Chair and Chief Executive Officer

It is my pleasure to present the Canadian Transportation Agency's 2014-2015 Departmental Performance Report.

The Agency is a quasi-judicial tribunal and regulator with a mandate to foster a competitive, accessible national transportation system by establishing and enforcing ground rules, issuing permits to operate, resolving disputes between transportation service providers and users, and providing information on the administration of the *Canada Transportation Act* through its annual report.

Since joining the Agency in July 2015, I have been impressed by its ability to discharge a broad and growing mandate with a relatively modest resource base.

The strategic priorities established by the Agency in 2014 are service excellence, regulatory effectiveness, and a high-performing organization. The Agency has taken a number of steps in pursuit of these priorities, including streamlining business processes, modernizing its rules of procedure for dispute adjudication, and enhancing online access to this process, including a suite of forms and an annotation to the rules.

Action in these and other areas will be redoubled in the coming years, as the Agency implements new responsibilities given to it by Parliament in 2014 and 2015. In addition, the Agency looks forward to the recommendations of the *Canada Transportation Act* Review, which could eventually have implications for the legislative framework within which the Agency operates.

The Agency is committed to delivering its mandate in a manner that is impartial, efficient, and responsive to the needs of those accessing its services – and in so doing, to supporting Canada's prosperity and social fabric, which depend on a well-functioning national transportation system.

Scott Streiner

Chair and Chief Executive Officer

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: The Honourable Marc Garneau, P.C, M.P., Minister of Transport

Institutional Head: Scott Streiner, Chair and Chief Executive Officer

Ministerial Portfolio: Transport

Enabling Instrument: *Canada Transportation Act*, S.C. 1996, c. 10

Year of Incorporation / Commencement: 1904

Other:

The Agency shares responsibility for the following Acts:

- *Access to Information Act*, R.S.C., 1985, c. A-1
- *Canada Marine Act*, S.C., 1998, c. 10
- *Civil Air Navigation Services Commercialization Act*, S.C., 1996, c. 20
- *Coasting Trade Act*, S.C., 1992, c. 31
- *Energy Supplies Emergency Act*, R.S.C., 1985, c. E-9
- *Financial Administration Act*, R.S.C., 1985, c. F-11
- *Official Languages Act*, R.S.C., 1985, c. 31 (4th Supp.)
- *Pilotage Act*, R.S.C., 1985, c. P-14
- *Privacy Act*, R.S.C., 1985, c. P-21
- *Public Service Modernization Act*, S.C., 2003, c. 22
- *Railway Relocation and Crossing Act*, R.S.C., 1985, c. R-4
- *Railway Safety Act*, R.S.C., 1985, c. 32 (4th Supp.)
- *Shipping Conferences Exemption Act*, 1987, R.S.C., 1985, c. 17 (3rd Supp.)

The Agency has sole responsibility for the following regulations:

- *Air Transportation Regulations*
- *Canadian Transportation Agency Designated Provisions Regulations*
- *Canadian Transportation Agency General Rules*
- *Canadian Transportation Agency Rules (Dispute Proceedings and Certain Rules Applicable to All Proceedings)*, SOR/2014-104
- *Personnel Training for the Assistance of Persons with Disabilities Regulations*
- *Railway Costing Regulations*
- *Railway Interswitching Regulations*, SOR/88-41
- *Railway Third Party Liability Insurance Coverage Regulations*
- *Railway Traffic and Passenger Tariffs Regulations*

- *Railway Traffic Liability Regulations*
- *Regulations on Operational Terms for Rail Level of Service Arbitration, SOR/2014-192*
- *Rules of Procedure for Rail Level of Service Arbitration, SOR/2014-94*

The Agency shares responsibility for the following regulations:

- *Carriers and Transportation and Grain Handling Undertakings Information Regulations*
- *Railway Company Pay Out of Excess Revenue for the Movement of Grain Regulations*
- *The Jacques-Cartier and Champlain Bridges Inc. Regulations*
- *The Seaway International Bridge Corporation, Ltd. Regulations*

These Acts and Regulations are available on the Department of Justice website, and are accessible through the Acts and Regulations section of the Agency's website¹.

Organizational Context

Raison d'être

The Canadian Transportation Agency is an independent, quasi-judicial tribunal and economic regulator. It makes decisions and determinations on a wide range of matters within the federal transportation system under the authority of Parliament, as set out in the *Canada Transportation Act* and other legislation.

Our mandate includes:

- Economic regulation, to provide approvals, issue licences, permits and certificates of fitness, and make decisions on a wide range of matters involving federal air, rail and marine transportation
- Dispute resolution, to resolve complaints about federal transportation services, rates, fees and charges
- Accessibility, to ensure Canada's national transportation system is accessible to all persons, particularly those with disabilities

Responsibilities

In meeting its responsibilities, the Agency continuously sets and strives to achieve high performance standards. Education and consultation are integral to the Agency's effectiveness in carrying out its mandate. The Agency works closely with transportation service users and providers in Canada, and with other directly affected stakeholders. It helps travellers, shippers, carriers, terminal operators, municipalities and others to fully understand not only their rights and obligations under the *Canada Transportation Act* and other statutes and regulations, but also the Agency's roles and responsibilities.

When appropriate, the Agency encourages parties to resolve disputes informally before issues escalate and impact the transportation system. The Agency consults broadly on issues that are important to the transportation industry. By remaining open and by listening to all affected parties, the Agency ensures that its decisions are both responsive and responsible.

The Agency exercises its powers through its Members, who are appointed by the Governor-in-Council (GIC): the GIC may appoint up to five full-time Members, including the Chair and Chief Executive Officer (CEO) and the Vice-Chair. The Minister of Transport can also appoint up to three temporary Members.

The Chair and CEO is accountable for the Agency's three programs. The Vice-Chair replaces the Chair and CEO during his absence. All Agency Members, as independent decision-makers, are accountable for making quasi-judicial decisions on matters before the Agency.

The Agency's organizational structure is composed of five branches: the Dispute Resolution Branch, the Industry Regulation and Determinations Branch, the Legal, Secretariat and Registrar Services Branch, the Communications and Information Management Branch, and the Office of the Chair and CEO. The heads of each branch, as well as the Chief Financial Officer and the Director of Human Resources, report directly to the Chair and CEO.

The Agency's headquarters are located in the National Capital Region. Agency personnel working in field offices in five cities across Canada carry out air and accessibility enforcement activities. The Agency's role and structure are described on its websiteⁱⁱ.

Parliament funds the Agency through an operating expenditures vote. The Agency operates within the context of the very large and complex Canadian transportation systemⁱⁱⁱ.

Strategic Outcome and Program Alignment Architecture

1. Strategic Outcome: Transparent, fair and timely dispute resolution and economic regulation of the national transportation system.

1.1 Program: Economic Regulation

1.2 Program: Adjudication and Alternative Dispute Resolution

Internal Services

Organizational Priorities

Organizational Priorities

Priority	Type ¹	Strategic Outcome and Programs
Service Excellence The Agency is recognized for its service innovation and excellence	Previously committed to	Strategic Outcome Transparent, fair and timely dispute resolution and economic regulation of the national transportation system Programs Economic Regulation Adjudication and Alternative Dispute Resolution Internal Services

Summary of Progress

What progress has been made toward this priority?

In 2014-2015, the Agency focused on streamlining its business processes and transforming its service delivery. As part of this effort to increase efficiency, the Agency implemented a registrar function, allowing for a single-window approach to the filing of dispute applications, as well as single points of entry for the processing of other applications. The Agency also began to make a fundamental shift from time-consuming paper-based processes to electronic processes, allowing external clients to file information online. This simplifies and increases access to Agency services for Canadians. The Agency also continued with the implementation of its new shared case management system, working closely with other departments.

The Agency launched two significant initiatives – a new website and new Rules of Procedure for Adjudicating Disputes – to provide more user-friendly, transparent, and timely services to Canadians.

1. Type is defined as follows: previously committed to—committed to in the first or second fiscal year prior to the subject year of the report; ongoing—committed to at least three fiscal years prior to the subject year of the report; and new—newly committed to in the reporting year of the Report on Plans and Priorities or the Departmental Performance Report.

Improvements in the Rules reflect feedback from client surveys and consultations indicating a need for faster service, streamlined processes and clearer, plain language information on how the Agency resolves disputes. The revamped website contains useful information and tools – including an innovative dispute resolution "wizard" to help guide applicants through the process, informed by extensive usability testing. A new online dashboard to demonstrate the Agency's progress vis-à-vis its service standards is also available on the website.

The Agency continued to offer the use of alternative dispute resolution, which is less costly and less time-consuming for the Agency and its stakeholders. In 2014-2015, over 80% of all disputes were resolved through alternative dispute resolution mechanisms. The Agency also maintained ongoing dialogue with its stakeholders and ensured information about Agency services remained accessible and transparent.

In 2014-2015, the Agency implemented the new mandate stemming from the *Fair Rail Freight Service Act* that amended the *Canada Transportation Act* and made the Agency responsible for arbitrating level of service disputes between shippers and railway companies. Several applications were arbitrated according to the new Arbitration Rules.

Priority	Type	Strategic Outcome and Programs
Regulatory Effectiveness The regulatory regime meets the needs of Canadians and enhances the competitiveness and accessibility of the national transportation system	Previously committed to	Strategic Outcome Transparent, fair and timely dispute resolution and economic regulation of the national transportation system Programs Economic Regulation Adjudication and Alternative Dispute Resolution Internal Services
Summary of Progress What progress has been made toward this priority? In 2014-2015, in light of the enactment of the <i>Fair Rail for Grain Farmers Act</i>, the Agency gained new responsibilities and the authority to carry out a number of activities. These responsibilities included consulting a broad range of stakeholders and providing advice to the Minister of Transport on the amount of grain that should be moved monthly during crop year 2014-2015. The Agency updated the <i>Railway Interswitching Regulations</i> and developed new regulations to specify operational terms that may be submitted for rail level of service arbitration. The list clarified the matters that are eligible for arbitration and will support the efficient processing of arbitration cases. The Agency also continued to enforce regulatory compliance efficiently. For example, a new series of Administrative Monetary Penalties, or AMPs, was introduced to enforce compliance with level of service arbitration decisions. Guidance was provided online to industry to clarify how these penalties will be investigated and imposed. The Agency continued to improve the transparency and predictability of its regulatory determinations by issuing and implementing new interline baggage rules and by releasing new, user-friendly application guides and forms for air licence, wet lease and code share applications.		

Priority	Type	Strategic Outcome and Programs
High-Performing Organization The Agency has engaged, skilled and knowledgeable employees who are supported by effective and efficient systems and services.	Previously committed to	Strategic Outcome Transparent, fair and timely dispute resolution and economic regulation of the national transportation system Programs Economic Regulation Adjudication and Alternative Dispute Resolution Internal Services

Summary of Progress

What progress has been made toward this priority?

In 2014-2015, the Agency implemented streamlined and standardized financial and administrative business processes to create efficiencies and align with TBS Common Financial Management Business Processes.

This year, the Agency adopted guiding principles for going paperless. As a knowledge-based organization, how the Agency manages and communicates information is critical to delivering effective services. Going paperless facilitates the processing and management of information and supports the Agency in becoming more agile and responsive. It also supports a decrease in the government's environmental footprint.

To support Agency productivity, employees can now access the Internet through Wi-Fi from anywhere in the Agency's headquarters, making it easy to stay connected to work tools and information at any time. In addition, some employees have had their computers replaced with dockable tablets.

The Public Service Employee Survey was conducted in 2014-2015. The Agency encouraged employees to provide their feedback and engage in dialogue. The Agency's completion rate was 88%, which surpassed the organization's target response rate of 85%, and was 18% higher than the federal public service as a whole. Survey results were presented at a meeting attended by a significant portion of Agency employees, and an Employee-Management Working Group was established to provide recommendations on next steps.

In support of employee excellence, the Agency reviewed core, technical, and functional competencies to align with government-wide competencies. This exercise aimed to ensure consistency and to assist with employee development and recruitment.

Finally, a knowledge management guide was developed and made available to employees on the Agency's intranet site in 2014-2015. This guide aims to promote a culture of knowledge transfer and the adoption of associated measures and behaviours.

Risk Analysis

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
1. Regulatory development and renewal capacity Insufficient capacity to simultaneously renew existing regulations and develop new regulations resulting from Government of Canada priorities (e.g., renewal of the <i>Air Transportation Regulations</i> and <i>Railway Third Party Liability Insurance Coverage Regulations</i>)	• Actively engage industry, consumers and government stakeholders to keep abreast of trends, foresee and respond to changes and new developments • Create additional capacity by systematically reviewing and streamlining processes, procedures, regulatory administrative requirements, delegated authorities and reallocating resources	Economic Regulation Adjudication and Alternative Dispute Resolution Internal Services
2. Corporate services realignment Significant financial and human resources required to respond to common federal government initiatives (e.g., shared services, process standardization, etc.), while maintaining sufficient capacity to support the Agency's mandate	• Keep abreast of new developments at central agencies and adjust internal governance and planning accordingly • Develop a shared services transition strategy that plans for and responds to centrally-driven shared services and process standardization initiatives	Economic Regulation Adjudication and Alternative Dispute Resolution Internal Services
3. Case management modernization Any delays in implementation of the new shared case management system may impact Agency initiatives to achieve efficiencies and enhance client service delivery	• Remain engaged with central agency committees and working groups responsible for procurement and technical aspects rating, selection, configuration, testing, etc. • Develop a comprehensive implementation plan for the case management system, including business process mapping, identifying user needs, and upgrading systems and ensure rigorous project oversight, management and execution	Economic Regulation Adjudication and Alternative Dispute Resolution Internal Services

1. Regulatory development and renewal capacity

In 2014-2015, the Agency faced challenges related to its capacity to address new responsibilities resulting from Government of Canada priorities.

Following the passage of the *Fair Rail Freight Service Act*, the Agency reallocated resources to allow it to engage in proactive outreach to help shippers and railway companies better understand the new provisions and dispute resolution services.

The Agency also had to re-evaluate priorities and re-assign resources to address new mandates related to the provision of advice to the Minister on the amount of grain to be moved and for the development of amended railway interswitching regulations.

Following the derailment in Lac Mégantic, the Agency launched a public review of the *Third Party Liability Insurance Coverage Regulations*. This review contributed to the development of the *Safe and Accountable Rail Act*, which became law on June 18, 2015. The Act has given the Agency new mandates with respect to resolving disputes regarding costs incurred by provinces and municipalities arising from fires alleged to have been caused by railway operations. It has also revamped the rail insurance regime applicable to federal railway companies by prescribing minimum insurance coverage, depending on the volume of prescribed commodities carried.

2. Corporate services realignment

The Government is transforming its internal corporate services by requiring the use of shared service delivery models as well as common processes, policies and systems. The complexity and the pace of these centrally-driven measures must be managed by the Agency to enable it to effectively deliver on its core responsibilities.

To mitigate these risks, the Agency has regularly engaged with central agencies about changes to government policy. Many aspects of corporate services have been realigned to both inform decision-making and adapt to an ever-changing environment. As the Agency transitions to a new shared services environment, it continues to manage and monitor the services affected and any cost and human resource implications.

In 2014-2015, the Agency continued a number of efforts aimed at meeting the challenge of staying on track for the implementation of the standardization and consolidation of the back office. The Agency has simplified business processes for key functions to ensure efficiency in administrative processes, such as approving invoices, payments, contracting, and creating and monitoring service standards. The Agency also cultivated internal corporate knowledge of and experience with Phoenix, by making resources available to assist with testing and development

work. The Agency undertook a significant effort to digitize its official records, resulting in the electronic disposition of 94% of its everyday used official records, well above the Government of Canada average of 22%.

In addition, to support its line programs, risks and mitigation strategies were drawn up to ensure that the Agency is prepared to face these and other new challenges. These are reviewed at least semi-annually so that they are up to date. The Agency's efforts to improve its corporate risk profile included assigning risk accountabilities for each risk and focusing mitigation efforts on those risks with the most significant possible impact.

3. Case management modernization

The Agency is in the process of implementing a new, centrally-procured, shared case management system, as part of a government cluster. To limit the risk involved, the Agency participates as a voting member on the central steering committee. It also collaborates with cluster working groups to ensure that Agency technical solutions will be supported, and potentially adopted, by the cluster. To date, the cluster is not yet ready for its members to use the system on centrally-hosted servers; in the meantime, the Agency has launched a first implementation on local servers while waiting for the centrally-hosted servers to be available.

To ensure success, the Agency has developed its own internal governance structure to oversee progress and mitigate risks as they develop. The structure involves oversight at the executive level, both in terms of cost and scope, a dedicated project team, and a core coordinating group, which all work to share information and mitigate risks. In addition, the Agency has contracted technical experts, who continue to ensure that the system developed locally can easily be moved to centrally-hosted servers when they become available. Finally, the Agency has avoided customizations, wherever possible, to limit development costs and make the system easier to maintain and upgrade.

Actual Expenditures

Budgetary Financial Resources (dollars)

2014-2015 Main Estimates	2014-2015 Planned Spending	2014-2015 Total Authorities Available for Use	2014-2015 Actual Spending (authorities used)	Difference (actual minus planned)
27,650,622	29,000,652	29,128,373	28,777,849	-222,803

Actual spending reflects spending activity during the fiscal year as reported in the Public Accounts of Canada. The 2014-2015 actual spending of \$28.8 million is consistent with the 2014-2015 planned spending of \$29 million.

Human Resources (Full-Time Equivalents [FTEs])

2014-2015 Planned	2014-2015 Actual	2014-2015 Difference (actual minus planned)
230	221	-9

Budgetary Performance Summary for Strategic Outcome and Programs (dollars)

Strategic Outcome, Programs and Internal Services	2014-2015 Main Estimates	2014-2015 Planned Spending	2015-2016 Planned Spending	2016-2017 Planned Spending	2014-2015 Total Authorities Available for Use	2014-2015 Actual Spending (authorities used)	2013-2014 Actual Spending (authorities used)	2012-2013 Actual Spending (authorities used)
Strategic Outcome: Transparent, fair and timely dispute resolution and economic regulation of the national transportation system								
Economic Regulation	11,760,314	12,336,421	12,525,568	11,972,392	12,398,013	11,306,027	12,027,105	12,878,593
Adjudication and Alternative Dispute Resolution	8,978,938	9,405,216	10,657,634	10,186,954	9,365,919	10,984,842	8,982,629	8,332,217
Subtotal	20,739,252	21,741,637	23,183,202	22,159,346	21,763,932	22,290,869	21,009,734	21,215,810
Internal Services Subtotal	6,911,370	7,259,015	6,220,408	5,945,691	7,364,441	6,486,980	7,967,204	7,485,034
Total	27,650,622	29,000,652	29,403,610	28,105,037	29,128,373	28,777,849	28,976,938	28,700,844

* Numbers for each program include contributions to employee benefit plans

Explanation of variances for 2014-2015

Between planned spending (\$29 million) and total authorities (\$29.1 million)

The 2014-2015 authorities available for use of \$29.1 million were very similar to the planned spending of \$29 million identified in the RPP (variance of \$0.1 million).

Between 2014-2015 actual spending (\$28.8 million) and 2013-2014 actual spending (\$29 million)

Total Agency spending for 2014-2015 remained essentially the same as in 2013-2014. Program spending in 2014-2015, however, is different from 2013-2014 due to realignment in responsibilities between the programs.

Alignment of Spending With the Whole-of-Government Framework

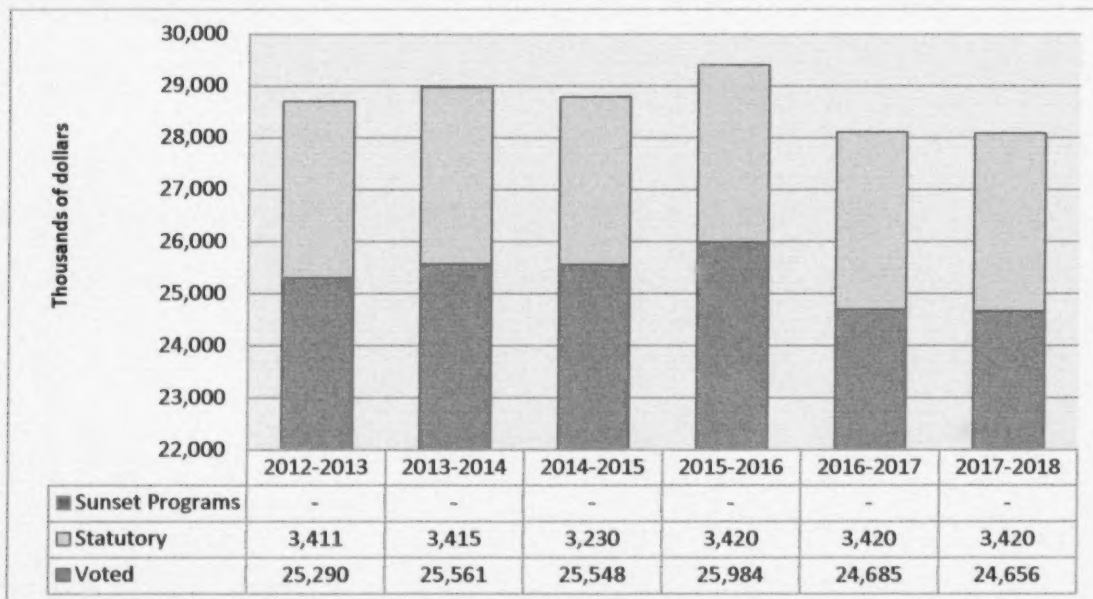
Alignment of 2014-2015 Actual Spending With the Whole-of-Government Framework^{iv} (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014-2015 Actual Spending
Transparent, fair and timely dispute resolution and economic regulation of the national transportation system	Economic Regulation	Economic Affairs	A fair and secure marketplace ^v	11,306,027
	Adjudication and Alternative Dispute Resolution			10,984,842
	Internal Services			6,486,980

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	29,000,652	28,777,849
Social affairs	N/A	N/A
International affairs	N/A	N/A
Government affairs	N/A	N/A

Departmental Spending Trend



Spending in fiscal year 2014-2015 was similar to previous years. We anticipate a slight increase in the 2015-2016 planned spending compared to the 2014-2015 actual spending due to forecasted salary increases and costs imposed by Treasury Board Secretariat related to shared services.

Projected spending for fiscal years 2016-2017 and 2017-2018 consists of funding anticipated to be received through Main Estimates plus an estimated amount for reimbursement of payroll expenditures. These amounts are less than previous years, as they do not include funding that should eventually be received through Supplementary Estimates or transfers from Treasury Board Secretariat, given that these amounts cannot be accurately estimated.

Expenditures by Vote

For information on the Canadian Transportation Agency's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*,^{vi} which is available on the Public Works and Government Services Canada website.^{vii}

Section II: Analysis of Programs by Strategic Outcome

Strategic Outcome: Transparent, fair and timely dispute resolution and economic regulation of the national transportation system

The Canadian Transportation Agency is both an economic regulator and a quasi-judicial tribunal. It regulates certain aspects of the national transportation network through the administration of laws and regulations. It also influences industry behaviour through voluntary codes of practice, and education and outreach programs. It adjudicates disputes between users of, service providers within, and others affected by the national transportation system, which, in the case of accessibility, includes extra-provincial bus services.

To successfully deliver its strategic outcome, the Agency divides its activities under three program headings: economic regulation, adjudication and alternative dispute resolution, and internal services.

Performance Measurement

Performance Indicators	Targets	Actual Results
Percentage of satisfaction with economic regulation and dispute resolution services*	70%	66%

* Based on a rating scale of 1 (Very dissatisfied) to 5 (Very satisfied) reported as a percentage (i.e. 1 = 20%, 2 = 40%, 3 = 60%, 4 = 80%, 5 = 100%)

Program 1.1: Economic Regulation

Description

The Agency supports an efficient and accessible federal transportation system for users, service providers and other stakeholders through economic regulation of federal air, rail and marine transportation. It regulates air transportation by enforcing the *Canada Transportation Act* and related regulations, administering a licensing and charter permit system, helping to negotiate air bilateral agreements, and ensuring that terms and conditions of carriage of air carriers are consistent with Canadian legislation. It develops regulations, codes of practice, and educational and outreach programs to ensure that undue obstacles to the mobility of persons with disabilities are removed from the federal transportation network. It regulates the federal rail system by issuing certificates of fitness allowing carriers to operate, approving rail line construction, overseeing the discontinuance of service, establishing the net salvage value of rail lines, and it determines interswitching rates and administers the revenue cap for the movement of Western grain. It acts as an economic regulator in marine transportation by determining whether suitable Canadian vessels are available when applications are made to use foreign vessels.

Budgetary Financial Resources (dollars)

2014-2015 Main Estimates	2014-2015 Planned Spending	2014-2015 Total Authorities Available for Use	2014-2015 Actual Spending (authorities used)	2014-2015 Difference (actual minus planned)
11,760,314	12,336,421	12,398,013	11,306,027	-1,030,394

Human Resources (Full-Time Equivalents [FTEs])

2014-2015 Planned	2014-2015 Actual	2014-2015 Difference (actual minus planned)
99	93	-6

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Service providers (air, rail and marine) comply with regulatory requirements	Air carriers and facility operators comply with the regulatory requirements within 85 business days of the periodic inspection	95%	96%
	Licensees/facility operators who have been found in contravention of the regulatory requirements and are brought into compliance following a periodic inspection remain compliant	85%	*See note below

Expected Results	Performance Indicators	Targets	Actual Results
	Level of compliance with targeted** regulations and voluntary codes of practice	Regulations 85% Codes of practice 65%	Regulations 100% Codes of practice 75%
CN and CP are provided with the information required to ensure they do not exceed the maximum grain revenue entitlements for the shipment of Western Grain	Number of times that either CN or CP has exceeded their respective Western Grain revenue cap entitlement by more than 1% over the last three years	One time or fewer out of six times	Zero times

* This metric enables the Agency to measure on a longer-term basis whether the program is successful at reducing the risk of recurrence of non-compliance. The Agency has adopted a risk-based approach, meaning that carriers will be assessed based on the risk of non-compliance. As a result, a full multi-year inspection cycle must be completed to be able to assess the probability of the recurrence of non-compliance. The Agency anticipates it will have a first set of results in April 2018.

** Targeted regulations and voluntary codes of practice are those which have been identified for compliance monitoring through the application of a risk-based approach

Performance Analysis and Lessons Learned

The Agency is sensitive to the need to minimize the regulatory burden on Canadian businesses, and is committed to creating a more predictable regulatory environment that promotes economic growth. In 2014-2015, the Agency made progress on renewing regulations and non-regulatory tools to increase efficiency and accessibility, and to reduce regulatory burden. After consulting extensively over two years, the Agency made a significant update to the *Uniform Classification of Account and Related Railway Records* to modernize the accounting terminology, incorporate changes in methodology set out in Agency decision and remove any ambiguities in meaning. The Agency also undertook an extensive review of the overhead rates applied to the construction, upgrade, and maintenance of crossing warning systems to ensure accuracy. The findings are reflected in the 2014 edition of the *Guide to Railway Charges and Crossing Maintenance*.

The Agency also continued work on modernizing the *Air Transportation Regulations* through proposed amendments to Parts I, II, III and IV. In addition, Part VII of the *Air Transportation Regulations* that deal with accessible transportation was updated. To further improve

accessibility, the *Personnel Training for the Assistance of Persons with Disabilities Regulations* were also updated.

The Agency released two new air license application guides for Canadian and foreign carriers which streamlined and clarified requirements for filing complete applications. It also released two new application guides and forms for code share and wet lease applications that clarified the application requirements. Furthermore, the new wet lease application guide reflected the requirements of the Minister's *Wet Lease Policy*.

Following the tragic derailment in Lac Mégantic, work conducted by the Agency related to third-party liability insurance coverage for federal railway companies assisted the government in preparing new legislation.

Work is ongoing on the development of a risk-based compliance framework and the Agency continued its education and outreach activities on a range of regulatory matters, including the new interline baggage rules, the implementation of the Minister's *Wet Lease Policy*, compliance related to accessibility of the national transportation network, compliance related to rail level of service agreements established by arbitration decisions, compliance related to new requirements for railway liability insurance coverage and compliance with accessibility regulations and codes of practice.

The Agency also consulted with its Accessibility Advisory Committee, which is made up of representatives from the community of persons with disabilities, the transportation industry and other interested parties. The Agency held a meeting in October and engaged Committee members through its innovative online forum to collect feedback on the following initiatives that were completed in 2014-2015: updates to the Codes of Practice – Removing Communication Barriers for Travellers with Disabilities, updates to the Code of Practice – Ferry Accessibility for Persons with Disabilities, the new resource tool Travelling with Animals that Provide Disability-Related Assistance, and accessibility requirements for automated self-service kiosks.

In developing regulatory and non-regulatory tools, the Agency sought feedback from its stakeholders, which contributed to a more comprehensive framework, better understanding of the Agency's requirements, and greater accessibility overall.

Program 1.2: Adjudication and Alternative Dispute Resolution

Description

The Agency provides formal and informal dispute resolution services to users, service providers and others affected by the federal transportation network. As a quasi-judicial tribunal, the Agency has the authority to issue adjudicative decisions and orders on matters within its jurisdiction over federal rail, air and marine modes of transportation and, in respect of the Agency's accessibility mandate, extra-provincial bus operations. It resolves disputes between: air travellers and air carriers regarding terms and conditions of air carriage; persons with disabilities and service providers regarding undue obstacles to the mobility of such persons within the federal transportation network; rail shippers and railway companies regarding level of service and other matters; municipalities, road authorities, landowners and railways regarding rail infrastructure; individuals and communities affected by rail noise and vibration and railways; Canadian ship owners and other interested persons regarding coasting trade and pilotage and port authorities regarding charges for pilotage services or port fees.

Budgetary Financial Resources (dollars)

2014-2015 Main Estimates	2014-2015 Planned Spending	2014-2015 Total Authorities Available for Use	2014-2015 Actual Spending (authorities used)	2014-2015 Difference (actual minus planned)
8,978,938	9,405,216	9,365,919	10,984,842	1,579,626

Human Resources (Full-Time Equivalents [FTEs])

2014-2015 Planned	2014-2015 Actual	2014-2015 Difference (actual minus planned)
72	71	-1

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Specialized transportation dispute resolution that is transparent, fair and timely	Percentage of dispute resolution service standards achieved*	70%	71%

* Based on meeting 70% (5 out of 7) of the dispute resolution service standards (as published on the Agency's website – <http://www.otc-cta.gc.ca/eng/2013-2014-service-standards>)

Performance Analysis and Lessons Learned

The Agency continued to reengineer its approach to case management to ensure that it will deliver streamlined, seamless interactions for clients and respond to shifting priorities. The Agency adopted guiding principles for going paperless and will be establishing paperless processes and minimizing printing and processing of paper documents wherever possible. As noted under the High-Performing Organization organizational priority, going paperless is a key element of the Agency's goal to become more agile and highly-responsive.

In 2014-2015, the Agency completed the implementation of its new Rules of procedure for adjudicating disputes. This was a significant initiative to provide more user-friendly, transparent and timely service to Canadians. An innovative, interactive annotation to the Rules gives people easy access to all the information and tools needed to participate effectively in dispute proceedings. In addition, for the first time ever, users can file adjudication disputes and upload documents electronically. The new Rules and web tools will help people who wish to use adjudication services but who are not familiar with legal processes, as well as clients and stakeholders who appear more regularly before the Agency.

As well, the Agency implemented its new Arbitration Rules, which, together with the Operational Terms Regulations, were applied in arbitration cases. The Agency continued to administer the final offer arbitration process and for the first time, the Agency arbitrated rail level of service complaints pursuant to the *Fair Rail Freight Service Act*.

In 2014-2015, the Agency continued to make effective use of alternative dispute resolution mechanisms, with 84% of all complaints resolved through facilitation or mediation.

In 2014-2015, the Agency resolved a higher number of air travel complaints than in previous years, the majority of which related to consumer protection, and others related to erroneous fares against domestic and foreign airlines.

To implement its mandate to remove undue obstacles to the mobility of persons with disabilities, the Agency adjudicated a number of complaints, including one regarding a passenger with post-traumatic stress disorder.

In rail transportation, the Agency resolved a higher number of complaints related to level of service. In one of its key decisions, the Agency outlined a new three-step approach to evaluating whether the railway company fulfilled its service obligations to the shipper.

In marine transportation, the Agency resolved a number of cases related to coasting trade, exceeding its performance target.

As in previous years, the Agency conducted client satisfaction surveys to gauge its success as a client-centred organization. In addition, over the course of 2014-2015, the Agency made progress on an in-depth review of its existing client satisfaction survey framework to ensure it provides clear, actionable insights into its interactions with clients and stakeholders.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are Management and Oversight Services, Communications Services, Legal Services, Human Resources Management Services, Financial Management Services, Information Management Services, Information Technology Services, Real Property Services, Materiel Services, Acquisition Services, and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not those provided to a specific program.

Budgetary Financial Resources (dollars)

2014-2015 Main Estimates	2014-2015 Planned Spending	2014-2015 Total Authorities Available for Use	2014-2015 Actual Spending (authorities used)	2014-2015 Difference (actual minus planned)
6,911,370	7,259,015	7,364,441	6,486,980	-772,035

Human Resources (FTEs)

2014-2015 Planned	2014-2015 Actual	2014-2015 Difference (actual minus planned)
59	57	-2

Performance Analysis and Lessons Learned

In 2014-2015, the Agency achieved significant improvements in the integration of financial and non-financial information at all levels of the organization, providing a richer decision-making environment more conducive to realizing operational efficiencies. In support of this, the Agency established a Data Entry and Quality Assurance Unit to standardize and streamline procurement and payment processes and to ensure cost-effective, timely, and consistent quality services across the Agency. To further support organizational change, a first iteration of service level agreements for human resources, finance, and information management/technology functions was developed to manage client expectations and clearly outline the services to be delivered.

In 2014-2015, the Agency implemented a function-based file plan, which represented the beginning of the transition to electronic recordkeeping, and rolled out wireless internet access across the organization that enabled more efficient, streamlined operations as a modern organization.

In January 2015, an overhaul of the Agency's risk management framework and corporate risk profile was completed, which reflects the level and type of risks the Agency must manage to meet its strategic objectives and expected results. The corporate risk profile is also used in support of investment decisions and monitoring. Information technology risks and opportunities were also considered as the Agency made progress in transferring its internet connections to shared, government-wide networks in anticipation of the upcoming implementation of shared tools, such as Phoenix and My GCHR (PeopleSoft).

The initiatives taking place across the Agency's business processes, internal services functions and throughout government in support of organizational effectiveness, shared service delivery, and workplace transformation have required an active approach to change management and employee engagement. Accordingly, over the course of 2014-2015, Communications and Human Resources personnel worked closely to develop communications plans, change management strategies, and implementation roadmaps to ensure smooth transitions in the years to come.

In 2014-2015, the Agency worked to ensure that it complies with the Common Human Resources Business Processes, which include human resources planning, job and position management, staffing and employee integration, employee development, and knowledge transfer. In relation to learning and development, the Agency developed and delivered a number of courses directed at management on classification.

Knowledge transfer is crucial to the Agency. In 2014-2015, the Agency's knowledge management efforts focused on improving performance and sharing lessons learned. Knowledge management has also served as an enabler for continuous learning and was used to form part of the Agency's current learning roadmaps. The Agency developed a knowledge management guide that outlines practical ways to transfer knowledge.

Finally, in 2014-2015, new human resources planning tools were developed and provided to employees across the Agency, in response to employee and manager feedback. This represented a new approach to human resources planning, integrating it further with the integrated business planning and reporting process.



Section III: Supplementary Information

Financial Statements Highlights

Condensed Statement of Operations (unaudited)

For the Year Ended March 31, 2015

(dollars)

Financial Information	2014-2015 Planned Results	2014-2015 Actual	2013-2014 Actual	Difference (2014-2015 actual minus 2014-2015 planned)	Difference (2014-2015 actual minus 2013-2014 actual)
Total expenses	33,011,967	32,337,530	32,559,105	-674,437	-221,575
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	33,011,967	32,337,530	32,559,105	-674,437	-221,575

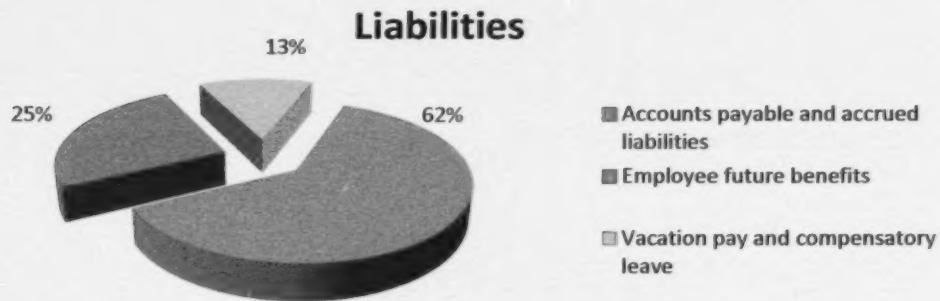
Condensed Statement of Financial Position (unaudited)

As at March 31, 2015

(dollars)

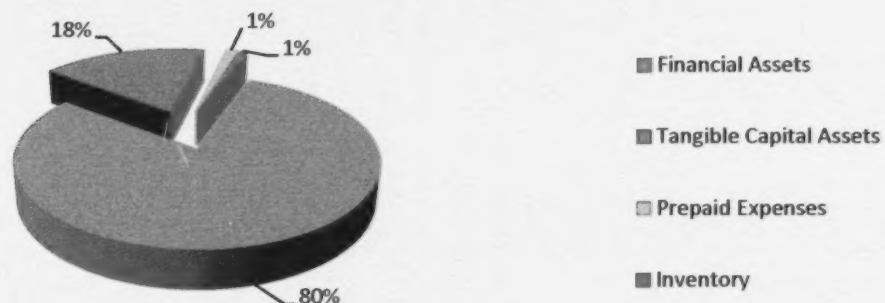
Financial Information	2014-2015	2013-2014	Difference (2014-2015 minus 2013-2014)
Total net liabilities	5,662,193	3,736,044	1,926,149
Total net financial assets	3,705,185	1,779,380	1,925,805
Departmental net debt	1,957,008	1,956,664	344
Total non-financial assets	929,355	1,015,608	-86,253
Departmental net financial position	-1,027,653	-941,056	-86,597

Financial Statements

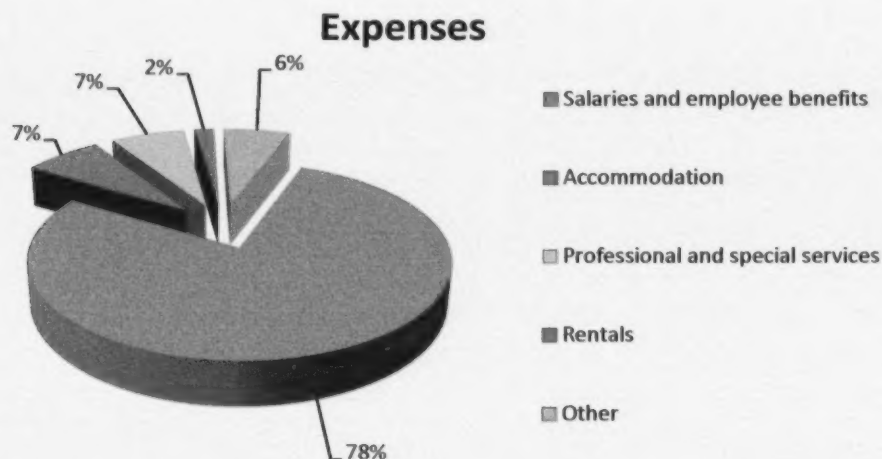


Total liabilities were \$5.7 million at the end of 2014-2015, an increase of \$1.9 million (52%) over the previous year's total liabilities of \$3.7 million. This increase in liabilities is mainly related to the implementation of the salary payments in arrears and an increase in the payables recorded at year-end under the Accounts Payable. Accounts Payable and Accrued Liabilities as well as Employee Future Benefits represented the largest portion of total liabilities at \$3.5 million and \$1.4 million respectively.

Financial and Non-Financial Assets



Total financial and non-financial assets were \$4.6 million at the end of 2014-2015, an increase of \$1.8 million (61%) over the previous year's total financial and non-financial assets of \$2.9 million. This increase is mainly due to an increase in the Due from Consolidated Revenue Fund (the result of the increase in liabilities) reported under the "Financial Assets" category. Financial Assets represented \$3.7 million (80 %), tangible capital assets represented \$0.8 million (18%) while prepaid expenses and inventory represented 2% of total assets.



The Agency's total expenses were \$32.3 million in 2014-2015, a decrease of \$0.2 million (1%) over the previous year total expenses. The majority of funds, \$25.1 million (78%), were spent on salaries and employee benefits, 7% on accommodation, 7% on professional and special services, 2% on rentals and the remaining 6% going towards information, transportation and telecommunication, machinery and equipment, amortization of tangible capital assets, repair and maintenance, utilities, materials and supplies.

The Canadian Transportation Agency's financial statements^{viii} can be found on its website.

Supplementary Information Tables

The supplementary information tables listed in the *2014-2015 Departmental Performance Report* are available on the Canadian Transportation Agency's website^{ix}.

- ▶ Departmental Sustainable Development Strategy;
- ▶ Internal Audits and Evaluations;
- ▶ User Fees, Regulatory Charges and External Fees.

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the *Tax Expenditures and Evaluations*^x publication. The tax measures presented in the *Tax Expenditures and Evaluations* publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

For more information, please visit the Agency's website^{xi} or contact the Agency at:

Canadian Transportation Agency
15 Eddy Street
Gatineau, Quebec
K1A 0N9
Tel: 1-888-222-2592
Fax: 819-997-6727
TTY: 1-800-669-5575

Email: info@otc-cta.gc.ca

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*): A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

- ⁱ *Canadian Transportation Agency. Acts and Regulations*, <https://www.otc-cta.gc.ca/eng/acts-and-regulations>
- ⁱⁱ *Canadian Transportation Agency. Our organization and role*, <http://www.otc-cta.gc.ca/eng/our-organization-and-role>
- ⁱⁱⁱ *Transport Canada. The Transport Canada Portfolio*, <http://www.tc.gc.ca/eng/aboutus-abouttc.html>
- ^{iv} *Whole-of-government framework*, <http://www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx>
- ^v *A fair and secure marketplace*, <http://www.tbs-sct.gc.ca/ppg-cpr/descript-eng.aspx>
- ^{vi} *Public Accounts of Canada 2015*, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- ^{vii} *Public Works and Government Services Canada website*, <http://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/index-eng.html>
- ^{viii} *Canadian Transportation Agency. Financial Statements*, <https://www.otc-cta.gc.ca/eng/publication/financial-statements-period-ended-march-31-2015>
- ^{ix} *Canadian Transportation Agency. Supplementary Information Tables*, <https://www.otc-cta.gc.ca/eng/publication/departmental-performance-report-2014-2015-supplementary-information-tables>
- ^x *Government of Canada Tax Expenditures*, <http://www.fin.gc.ca/purl/taxexp-eng.asp>
- ^{xi} *Canadian Transportation Agency*, <http://www.otc-cta.gc.ca/>